THE PARADOX OF SANCTIONS AS A TOOL OF STATECRAFT

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Economic sanctions have been a prominent part of American statecraft since World War II, and increasingly so since the end of the Cold War. This is something of a paradox, however, since most researchers agree that sanctions have at best a mixed or even a poor record of success.

This paper attempts to explain this paradox by summarizing major trends in the U.S. use of negative economic sanctions in the post-Cold War era. My major findings are that, contrary to the traditional liberal view that sanctions occupy the middle ground between diplomacy (persuasion) and force (coercion), in practice our objectives have gravitated away from this middle ground in either direction. Sanctions that have shifted

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toward the forceful end of the spectrum have helped protect U.S. vital interests, but have had negative consequences for our humanitarian interests. Sanctions that have tried to affect public or international opinion on humanitarian issues have had little favorable impact, and have instead diluted the potency of suasion as a tool of U.S. statecraft.

Objectives of Sanctions

Although the literature identifies a range of possible aims that a state may seek to achieve through sanctions,[1] coercive and expressive objectives represent the two fundamental motives, and provide a useful dichotomy for thinking about sanctions.

The conventional understanding of economic sanctions is that they are an instrument of coercive diplomacy used by one state in an attempt to influence another state to change its policy or behavior. In this view, sanctions occupy the area between diplomacy (persuasion) and force (coercion), and this middle ground is a central aspect of their appeal as a tool of liberal statecraft. Sanctions that lean too far in the direction of force – for example, those that aim to weaken the target state strategically – are thus not sanctions in the classic liberal sense, but rather are a tool of economic warfare.[2]

Coercive sanctions will inflict economic distress upon the target state according to how well they are implemented (thorough enforcement), and the degree to which the target state is vulnerable (reliance on trade) or is unable to adapt to the sanctions (develop alternative sources of supply or obtain assistance from a third party).[3] Even if the desired

[1] Makio Miyagawa, *Do Economic Sanctions Work?* (New York: St. Martin's Press, 1992), pp. 89-106; Gary Clyde Hufbauer, Jeffrey J. Schott, and Kimberly Ann Elliott, *Economic Sanctions Reconsidered: History and Current Policy*, Second Edition (Washington, D.C., Institute for International Economics, 1990), pp. 10-11; Margaret P. Doxey, *International Sanctions in Contemporary Perspective* Second Edition (New York: St. Martin's Press, 1996), pp. 54-58

[2] Pape, *International Security*, Vol 22, No 2 (Fall, 1997), pp. 93-95; David A. Baldwin, *Economic Statecraft* (Princeton, New Jersey: Princeton University Press, 1985), pp. 36-38.

[3] Makio Miyagawa, *Do Economic Sanctions Work?* (New York: St. Martin's Press, 1992), pp. 24-28. Also Gary Clyde Hufbauer, Jeffrey J. Schott, and Kimberly Ann Elliott, *Economic Sanctions Reconsidered:*

economic impacts are achieved, however, it is still not certain that the target state will change its policy or behavior in the desired manner. Instead, sanctions tend to strengthen the power elite of the target state and cause it to stiffen its resolve.[4] Although one would expect U.S. policy makers to weigh these factors prior to deciding to impose sanctions, recent experience suggests that such assessments are seldom done.[5]

In contrast to the foregoing, expressive sanctions are imposed with ". . . no expectation of successfully influencing the apparent target. Instead, the sanctions may be aimed at third countries the sender hopes to deter from engaging in objectionable behavior; or they may be intended to enhance the sender's credibility among its allies. Finally, the sanctions may be a response to domestic political pressures."[6]. Rather than aim to influence the policy or behavior of a foreign state, expressive sanctions appeal to various blocs of domestic, international, or special interest opinion.

As essentially political acts, sanctions are no different from other tools of foreign policy in that the decision to implement them will typically involve multiple objectives, including objectives that may be mixed, conflicting, or left unstated.[7] Nevertheless, sanctions can be grouped according to whether their objective is either predominantly coercive or expressive. The former category would include our original sanctions on Cuba following the expropriation of American property, the sanctions on Iran following

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History and Current Policy, Second Edition (Washington, D.C., Institute for International Economics, 1990), pp. 12-13.

[4] George A. Lopez and David Cortwright, "The Sanctions Era: An Alternative to Military Intervention," *The Fletcher Forum of World Affairs*, Vol 19, No 2 (Summer/Fall 1995), p. 67, Elliott in Cortwright and Lopez, p. 51.

[5] Douglas Johnston Jr. and Sidney Weintraub, *Altering U.S. Sanctions Policy: Final Report of the CSIS Project on Unilateral Economic Sanctions* (Washington, D.C., CSIS, 1999), p. 25. Robert P. O'Quinn, *A User's Guide to Economic Sanctions*, Backgrounder 1126 (Washington, D.C., The Heritage Foundation, 1997), p. 2.

[6] Kimberly Ann Elliott, "Factors Affecting the Success of Sanctions" in David Cortwright and George A. Lopez, eds., *Economic Sanctions: Panacea or Peacebuilding in a Post-Cold War World* (Boulder, Colorado: Westview Press, 1995), p. 51.

the embassy takeover and the initial sanctions on Iraq after the invasion of Kuwait. Examples of predominantly expressive sanctions include our sanctions on the Soviet Union after its invasion of Afghanistan, our sanctions on China following the massacre at Tiananmen Square, or the current wave of 'feel good' sanctions being imposed by Congress for reasons ranging from human rights to the environment.

As the foregoing examples suggest, an important factor in determining whether we apply coercive or expressive sanctions is the level of U.S. interest being challenged by the target state. In cases in which vital U.S. interests are threatened and our response includes economic sanctions, those sanctions will tend to be coercive in nature. These sanctions will tend to cross the line into economic warfare, and are more likely to be combined with some amount of military force to ensure that the offending policy or behavior of the target state is modified to our satisfaction. Conversely, where non-vital (e.g., humanitarian) U.S. interests are involved, any sanctions the United States elects to impose will likely be expressive.

Sanctions as a Tool of Liberal Statecraft

In this century, sanctions gained prominence in the wake of World War I, when the League of Nations identified this instrument as the preferred means of resolving disputes and promoting collective security. Similarly, following World War II the U.N. Charter became the first treaty to authorize and establish procedures for the imposition of economic sanctions.[8] It is in this tradition that "economic sanctions have come to be viewed as the liberal alternative to war."[9]

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[7] Baldwin, pp. 102-106; Miyagawa, pp. 89-91.
[8] John Stremlau, *Sharpening International Sanctions* (New York: The Carnegie Corporation of New York, 1996), p. 8.
[9] Pape, *International Security*, Vol 22, No 2 (Fall, 1997), p. 90.

Since World War II, the use of sanctions has reflected the continuation of this politically idealistic perspective. Although the U.N. was largely stymied in its use of this tool during the Cold War due to the dynamic of super-power rivalry within the Security Council, the United States imposed sanctions in dozens of cases, the vast majority being invoked unilaterally.[10] The liberal underpinnings of U.S. sanctions during the Cold War were not always evident, and many cases reflected strong realist overtones, including our action against Cuba, various attempts to destabilize Latin American governments, and NATO's controls of strategic exports to the Soviet bloc.[11] However, beginning in the 1970s and until the end of the Cold War, U.S. sanctions increasingly reflected an array of liberal foreign policy objectives, including human rights (particularly prominent during the Carter administration), nuclear non-proliferation (involving actions against South Africa, Taiwan, Brazil, Argentina, India, and Pakistan), and terrorism (sanctions against Iran, Libya, and Iraq).[12]

Now the Cold War is over and the family of democratic nations is expanding. Political concerns and objectives are shifting from stability to security, from states' rights to human rights.[13] Consequently, U.N. involvement in imposing sanctions has increased dramatically (often at U.S. behest).[14] Likewise, the United States now has laws and executive actions in place targeting approximately 30 countries around the world with some type of unilateral restriction.[15] In addition, there has been a growing wave of

[10] Lopez and Cortwright, *The Fletcher Forum of World Affairs*, p. 67, Elliott in Cortwright and Lopez, p. 51.
[11] Hufbauer, Schott, and Elliott, pp. 5-7. Also, Doxey, p. 2.
[12] Hufbauer, Schott, and Elliott, pp. 7-8.
[13] Stremlau, pp. 13-17.
[14] George A. Lopez and David Cortwright, "Are Sanctions Just?" *Journal of International Affairs* Vol 52, No 2 (Spring 1999), p. 735.
[15] Congressional Budget Office, *The Domestic Costs of Sanctions on Foreign Commerce* (Washington, D.C., 1999), p. I-1.

sanctions adopted at state and local levels, as well as extra-territorial boycott measures enacted by Congress, that affect many more nations.[16] U.S. sanctions are being used to address an increasing array of intra- and trans-national problems, including human rights, freedom from religious persecution, democratization, and environmental concerns.[17] Since the end of the Cold War U.S. unilateral sanctions have tended to be expressive, while our multilateral sanctions have generally been more coercive in nature.

I believe the profusion of expressive sanctions, our so-called 'sanctioning madness,' is based on something beyond simply a continuation of post-World War II American political liberalism. My sense is that these sanctions reflect the United States seizing the 'unipolar moment' to stake out the moral high ground of public or international opinion. Our expanded sense of security following the end of the Cold War has given us the opportunity to enlarge the scope of our interests.[18]

This theme is prominent in the Clinton administration's most recent national security strategy. This document points to the promotion of a stable international security environment as one of our most important national objectives. To achieve this end, we seek whenever possible to prevent conflicts or resolve them by engaging around the globe with our allies as well as with non-democratic states in order to *shape* the strategic environment. We hope to integrate friendly nations and non-democratic states alike into the international system through the use of flexible tools of statecraft.

How well do sanctions fit with the activist and liberal themes of our national strategy? I believe they fall short in several key areas.

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[16] National Association of Manufacturers, *A Catalog of New U.S. Unilateral Economic Sanctions for Foreign Policy Purposes, 1993-96* (Washington, D.C., 1997), p. 2.
[17] Richard N. Haass, "Sanctioning Madness," *Foreign Affairs* 76 (November/December 1997), p. 74.
[18] Ronald Steel, "A New Realism," *World Policy Journal* 14 (Summer, 1997), p. 2.

Multilateralism. In the spirit of collective security, as well as for maximum economic impact on the target state in an age of globalization, sanctions require multilateral application. Unfortunately, although much of their economic pinch is felt in the first year or so, sanctions average much longer to achieve their objective – up to three years.[19] Although the United States has participated in numerous multilateral sanctions in the post-Cold War period (e.g., Iraq, Bosnia, Haiti), we have found that gaining multilateral support and maintaining it over time is increasingly difficult.[20] I have already noted that virtually all recent U.S. expressive sanctions have been imposed unilaterally.

[19] Lopez and Cortwright, *The Fletcher Forum of World Affairs*, p. 72.
[20] Haass, p. 76.

Engagement. In itself either type of sanction is fundamentally oriented toward isolation or *dis*engagement, a tool of 'asphyxiation' as opposed to 'oxygen.'[21] Sanctions can be further inimical to engagement when they threaten to take primacy in especially complex relations with foreign states (e.g., Mexico, China, Pakistan).[22]

Conflict Resolution. As part of a negotiating strategy, sanctions can provide a potential carrot if the terms are clear by which the sanctions could be lifted. This is seldom a factor, however, due to either the high stakes involved in coercive sanctions, or the typically vague terms common to coercive and expressive sanctions alike. Furthermore, to maintain negotiating space, it would be desirable to apply sanctions gradually. This approach is ill advised, however, since for coercive sanctions, gradualism gives the target state the opportunity to mitigate adverse economic effects. When we attempted the gradual approach with Haiti, for example, we learned this was a recipe for failure.[23] Gradual application is not normally part of the calculus in our expressive sanctions, since they are often driven by a unipolar swagger that does not typically include such nuance.

Proportionality. Policy makers are seldom able to tailor sanctions due to the blunt nature of this instrument and the complexity of the international environment. Since coercive sanctions are applied in response to a threat to vital interests, their level of punishment could be considered proportional. By the same token, this level of punishment tends to escalate sanctions beyond that middle ground, toward the end of the spectrum associated with military force. This can be seen in the cases of Iraq, Bosnia,

[21] Franklin L. Lavin, "Asphyxiation of Oxygen? The Sanctions Dilemma," *Foreign Policy* (Fall 1996), pp. 139-153.
[22] Congressman Jim Kolbe, Remarks before the Center for Strategic and International Studies, May 6, 1999, pp. 6-7; Haass, p. 80.

and Haiti, both in the ease with which U.S. policy escalated from sanctions to military force, and in the violence visited upon the populations by the sanctions themselves, including widespread malnutrition, starvation, and disease.[24] In the case of Iraq, it has been suggested that the United States used sanctions essentially just to prepare domestic public opinion for what the Administration viewed as the inevitable need to escalate to military force.[25] As for expressive sanctions, proportionality is undercut by the automatic triggers often legislated to invoke them, as well as in the lack of careful deliberation in their imposition noted earlier.

Thus, not only have sanctions tended to deviate from the middle ground of liberal tradition, but they work at cross purposes to some of the themes of post-Cold War U.S. liberalism underlying the Clinton national security strategy.

Contribution of Sanctions to U.S. Foreign Policy Objectives

We must take care not to credit or blame sanctions alone more than they are due. Sanctions are but one tool among many being used in myriad situations in contemporary American statecraft, a blunt instrument employed in conjunction with a variety of other means to achieve U.S. objectives. There are, however, important differences in the impacts of expressive and coercive sanctions on post-Cold War American foreign policy.

In recent years, expressive sanctions have been overused and misused, and on balance I believe this has had a negative effect on U.S. statecraft. The sheer carelessness of our use of expressive sanctions raises serious doubts regarding their ability to promote

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[23] David E. Weekman, "Sanctions: The Invisible Hand of Statecraft," *Strategic Review* 26 (Winter, 1998), pp. 39-40.
[24] Pape, *International Security*, Vol 22, No 2 (Fall, 1997), p. 110; Pape, *International Security*, Vol 23, No 1 (Summer 1998), p. 76; Cortwright and Lopez, *Journal of International Affairs* Vol 52, No 2 (Spring 1999), pp. 741-742; Weekman, p. 40.
[25] Lopez and Cortwright, *The Fletcher Forum of World Affairs*, p. 74; Gordon A. Craig and Alexander L. George, pp. 206, 209-210.

the worthy goals we set for them. Lee Hamilton has observed that, "One of the most alarming aspects of U.S. sanctions policy is the weak information base on which most sanctions decisions are made.[26]

This lack of deliberation is not lost on international opinion. As a consequence of our misuse of sanctions, we have undermined U.S. credibility and prestige in the international arena, eroded our leadership and the alliance relationships we rely upon to promote shared values and interests throughout the world, and flouted the system of collective security. These strains on our liberal hegemony are exacerbated by attempts to extend sanctions extra-territorially.

Because economic globalization extends the reach of foreign commercial interests as well as our own, expressive sanctions have had the further drawback of undercutting the reliability and the competitive position of U.S. business.[27] This constrains the U.S. role in economically and geographically strategic markets, and complicates the pursuit of domestic consensus for foreign policy objectives.

This assessment of expressive sanctions can be summed up in the words of a former senior official in the Commerce Department, who wrote, "Unfortunately, the idea of using economic policy as an instrument of foreign policy has been degraded through misapplication. Sanctions have become the lazy man's foreign policy. . . "[28]

By and large the foregoing adverse impacts are specifically the product of unilateralism, which it has been noted manifests itself in expressive sanctions. Coercive sanctions, typically imposed multilaterally, are usually less problematic in this regard

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[26] Lee Hamiton, "Foreward," in *Feeling Good or Doing Good with Sanctions: Unilateral Economic Sanctions and the U.S. National Interest*, Ernest H. Preeg (Washington, D.C., Center for Strategic and International Studies, 1999), p. viii.

(except perhaps to the extent that some of our multilateral sanctions may be merely unilateralism with a fig leaf).

Coercive sanctions have had mixed success in advancing U.S. objectives. In responding to threats to vital U.S. interests such as preventing anti-democratic incursions in our sphere of influence, the proliferation of weapons of mass destruction, instability in the supply of oil, and the spread of terrorism, the United States has applied coercive sanctions with a striking unity of means and ends. As suggested above, this application transforms sanctions into a tool of economic warfare, helping to explain the close relationship previously noted between the use of coercive sanctions and the use of military force. This combination of economic and military warfare is appropriate to protect U.S. vital interests, but the cruel consequences of coercive sanctions for the population of the target state are a serious setback to our humanitarian values. In sum, coercive sanctions "may not be as liberal an alternative to military force as their advocates suggest."[29]

Lessons for the Strategist

This paper has shown that in the post-Cold War era, objectives in the U.S. use of economic sanctions have tended to gravitate away from the middle ground prescribed by liberal tradition between diplomacy and military force. Expressive sanctions have shifted to the verbal end of the spectrum, and their careless application has diluted the impact of U.S. suasion. In contrast, coercive sanctions have been transformed into tools of force. Although coercive sanctions are effective in protecting U.S. vital interests (as essentially prelude or concomitant to the use of military force), at the same time they serve as a

[27] National Association of Manufacturers, pp. 4-8; O'Quinn, pp. 11-13.
[28] Lavin, p. 153.

profound repudiation of our humanitarian interests.

I believe there are four lessons the strategist can draw from these findings. First with regard to expressive sanctions:

- The moral high ground has a price. Before applying expressive sanctions, carefully evaluate the costs and consequences to domestic and allied players. Resist applying sanctions when these costs exceed anticipated benefits.
- Credibility is a limited resource. Overuse of expressive sanctions weakens our ability to apply non-forceful tools of statecraft effectively (e.g., diplomacy and persuasion).

Finally, with respect to coercive sanctions:

- Keep your options open (or not). Coercive sanctions can buy time to enable the policy maker to evaluate the situation further and decide the next course of action (hedging strategy). Alternatively, if vital interests are involved and forceful escalation is foreordained, sanctions can help to weaken the target state militarily. In the meantime, the policy maker can build support for the more forceful response by making the case that peaceful means have been tried and have failed (screening strategy).
- Beware the boomerang. If they are at all effective, coercive sanctions tend to strengthen the power elite of the target state while hurting the population at large (often in spite of exceptions for food and medicine). Seriously adverse humanitarian impacts are very difficult to justify, and are only slightly less so even when vital interests are at stake.

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